

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement the  
California Renewables Portfolio Standard  
Program.

Rulemaking 04-04-026  
(Filed April 22, 2004)

**ADMINISTRATIVE LAW JUDGES' RULING ESTABLISHING A SCHEDULE  
FOR CONSIDERATION OF CRITERIA FOR RANK ORDERING AND  
SELECTION OF LEAST-COST AND BEST-FIT RESOURCES**

Pub. Util. Code § 399.14(a)(2)(B) requires that the Commission establish a process that provides criteria for the rank ordering and selection of least-cost and best-fit renewable resources to comply with the California Renewable Portfolio Standard (RPS) Program obligations on a total cost basis. This ruling provides a schedule for developing a least-cost and best-fit methodology that the utilities can use to evaluate the bids resulting from the RPS solicitation scheduled to occur on July 1, 2004.

**Background**

Senate Bill (SB) 1078<sup>1</sup> requires the Commission to adopt a process for the rank ordering and selection of renewable resources to comply with the annual obligations of the RPS Program. “Least-cost and best-fit” is the term used to describe the process of bid ranking the utilities are to undertake as part of the RPS solicitation. The least-cost and best-fit evaluation criteria are essential elements of the ranking of RPS bids. Decision 03-06-071 developed the majority

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<sup>1</sup> See Pub. Util. Code §§ 399.11 through 399.16.

of the components of the least-cost and best-fit evaluation process, and identified certain components for further work. The Commission must now finalize the least-cost and best-fit components and evaluation process to enable the first round of RPS solicitations to occur.

As directed in Rulemaking (R.) 04-04-026, staff has scheduled a workshop on May 24 and 25, 2004, to discuss the least-cost and best-fit issues. Among other things, the workshop will discuss the California Energy Commission's consultant study "California RPS Integration Cost Analysis—Phase 1: One Year Analysis of Existing Resources" (CEC Study) and its potential for use in the upcoming RPS solicitation. As noted in R.04-04-026, the Commission intends to use the results of the CEC Study to set the capacity values for intermittent resources to the extent possible.

Although consensus on issues would be useful, we do not expect that this workshop will produce complete consensus on issues, and no workshop report will be prepared. However, parties will be expected to agree on a standard outline of issues to be addressed in briefs and in the draft decision.

### **Schedule**

The Commission anticipates that the first RPS solicitation will take place by July 1, 2004. In order to get the least-cost and best-fit criteria in the hands of the utilities and RPS bidders as soon as possible after the solicitation issues, a draft decision on the least-cost and best-fit issues must be issued in late June in order to allow the Commission to consider these issues at the July 8, 2004, Commission Meeting. Opening briefs on the least-cost and best-fit issues will be due on June 4, 2004, and reply briefs will be due on June 10, 2004. This schedule will require shortening the comment period set forth in Pub. Util. Code § 311(g). At the scheduled workshop on May 24-25, 2004, parties will discuss whether they

would be willing to stipulate to a shortened comment period. All parties interested in this procedural issue should be present for this discussion.

Consistent with the electronic service protocols adopted in this proceeding, electronic service of briefs is mandatory. Hard copy service shall only be made to parties without e-mail addresses or parties requesting hard copies. Briefs should be served separately, via individual e-mail to Administrative Law Judges Peter V. Allen at [pva@cpuc.ca.gov](mailto:pva@cpuc.ca.gov) and Julie M. Halligan at [jmh@cpuc.ca.gov](mailto:jmh@cpuc.ca.gov).

**IT IS RULED** that:

1. Opening Briefs on least-cost and best-fit issues are due on June 4, 2004.
2. Reply Briefs on least-cost and best-fit issues are due on June 10, 2004.
3. Opening and Reply Briefs shall have a standardized format, to be determined following the workshops scheduled for May 24-25, 2004.
4. All parties interested in discussing the possibility of a shortened comment period should attend the workshops scheduled for May 24-25, 2004.
5. Service of briefs shall be electronic, as described above.

Dated May 20, 2004, at San Francisco, California.

/s/ PETER V. ALLEN  
Peter V. Allen  
Administrative Law Judge

/s/ JULIE M. HALLIGAN  
Julie M. Halligan  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judges' Ruling Establishing a Schedule for Consideration of Criteria for Rank Ordering and Selection of Least-Cost and Best-Fit Resources on all parties of record in this proceeding or their attorneys of record.

Dated May 20, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

**N O T I C E**

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